

ARTICLE 22

Miscellaneous Leave Provisions

* * *

Section 2. Leave Pay Upon Separation.

A Police Officer who leaves the classified service for any reason shall receive a lump-sum payment in the full amount of his ending salary for the period of his accumulated compensatory time, holiday hours, sick leave hours (as provided by statute), bonus hours, and vacation hours, provided that such payment, in the case of vacation hours, shall be based upon not more than seven hundred and twenty (720) hours of accumulated vacation leave. The beneficiaries of any police officer who loses his life as the result of an injury or illness in the course and scope of employment or while employed as an Officer shall be paid the full amount of his salary for the total number of his hours of accumulated leave.

Section 3. Optional Pre Retirement Leave Conversion 457(b) Deferred Compensation Plan Contributions

A. Purpose. The purpose of this section is to allow conversion of eligible leave time for Officers enrolled in the Internal Revenue Code Section 457(b) deferred compensation plan as long as the Officer has not met the statutory maximum annual contribution limits at the time the deferral is made. The contribution would be instead of a lump sum leave pay upon separation by the Officer. This provides the Officer an additional option to receive payout of leave balances in another manner more appropriate for the Officer at their time of retirement. It will also give the Officer an opportunity to defer the value of their annual leave balance annually within the three (3) years prior to the proposed retirement date, subject to IRS maximum limits.

Normally a 457(b) plan participant's annual contributions cannot exceed the lesser of 100% of the participant's compensation or the elective deferral limit set by the IRS (\$20,500 in 2022), and this elective deferral limit is indexed yearly. For the effective purpose of this section, the limit will be applied as set every calendar year by the IRS. Participants in this Pre Retirement leave conversion must meet the age requirements as stated by governing plan documents and must be at least 50 years or older to make additional 457(b) catch up contributions or at least the age of 40 for to make Special 457(b) catch-up contributions as designated by the City pursuant to the 457(b) plan document. The election to defer leave time must be made in a manner and at a time permitted under Section 1.457-4(d) of the Income Tax Regulations.

B. Definitions.

1. "Eligible Leave Time" means vacation hours, Bonus hours, accumulated compensatory time, Holiday hours and for Officers who are eligible to retire or have at least 20 years of service, sick leave hours, up to a maximum of 720 hours for Officers.

2. "Final Hourly Rate" means the Officer's total pay, including the applicable base and all special items, for that Officer at the time the Officer elects to participate in the Pre Retirement leave conversion.

3. "Special 457(b) Catch-up contributions" are for participants who are aged 40 or older (the Normal Retirement Age as specified by the City pursuant to its plan documents) that for the three years prior to the proposed retirement date can contribute to the lesser of two times the normal annual elective deferral limit (\$41,000 in 2022) or the normal annual elective deferral limit plus the amount of the basic limit that was not used in prior plan years.

C. Participation

1. If an Officer enrolled in a 457(b) plan has not met the IRS limitations for the year of the deferral and is aged 40 or older, the Officer may elect annually in the 3 years prior to his or her proposed date of retirement to convert the value of his or her current eligible leave time into a 457(b) plan deferral, up to the limits set by the IRS for that tax year for Special 457(b) catch-up contributions.


2. An Officer must make any elections under this policy prior to his or her date of retirement.

3. An election to participate in this program is IRREVOCABLE. The Officer will be required to retire at his or her proposed retirement date in order to make the additional deferrals from leave balances available under the program.


4. Such deferrals will be permitted under the 457(b) plan, so long as the agreement to defer such leave amounts is entered into prior to the first day of the month in which the amounts otherwise would be paid or made available.

5. If that 457(b) plan allows both the age-50 catch-up and the 3-year catch-up, the participant may only use the one that allows a larger deferral for the applicable year, but not both.

Date: 3.2.2022



For the City



For the Association